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through leadership,
service and education.*



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May 15, 2007

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn of Administration
500 West Temple
Los Angeles, California 90012

**APPROVAL OF AMENDMENT NO. 1 WITH M2S, INC., FOR THE PROVISION
OF PREVIEW TREATMENT PLANNING SOFTWARE AND SERVICES AT
HARBOR-UCLA MEDICAL CENTER
(2nd District) (3 Votes)**

CIO RECOMMENDATION: ☒ APPROVE ☐ APPROVE WITH
MODIFICATIONS ☐ DISAPPROVE

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize and instruct the Director of Health Services, or his designee, to amend Agreement No. H-300004 to formally change the business name from Medical Metrx Solutions, Inc. to M2S, Inc.
2. Authorize and instruct the Director of Health Services, or his designee, to sign Amendment No. 1 to Agreement No. H-300004, substantially similar to Exhibit I, with M2S, Inc. (M2S), formerly known as Medical Metrx Solutions, Inc., for the continued provision of preview treatment planning (PTP) software and services associated with endovascular prosthesis use in the treatment of abdominal aortic aneurysm at Harbor-UCLA Medical Center (Harbor), effective July 1, 2007 through June 30, 2012, with an estimated cost of \$1,500,000, and with an option to extend the agreement for an additional 12 months through June 30, 2013, at an estimated cost of \$300,000, contingent upon available funding and subject to review and approval by County Counsel and the Chief Administrative Office, and notification of Board offices.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to continue the subject contract for an additional five-year period, with an option to extend for an additional 12 months. The terms and conditions are the same, with the addition of Board mandated language.

In approving the recommended action, the Board is authorizing the Director of Health Services, or his designee, to sign an amendment with M2S for the continued provision of PTP software and services associated with the use of endovascular prosthesis in the treatment of abdominal aortic aneurysm for patients at Harbor.

M2S is the only contractor approved nationwide by the Food and Drug Administration (FDA) to provide these unique services and is also qualified by the Centers for Medicare and Medicaid Services (CMS) for reimbursement.

The software will be used to guide the prosthesis and improve the level of patient care provided during preoperative (pre-op) and postoperative (post-op) abdominal aneurysm repair, reducing the risks traditionally associated with major surgical interventions.

FISCAL IMPACT/FINANCING:

The total cost for the Amendment to the Agreement, effective July 1, 2007 through June 30, 2012, shall not exceed \$300,000 annually, with a total cost of \$1,500,000, with an additional extension of the contract term with no changes in the rates, for an additional twelve months through June 30, 2013, contingent upon available funding. The total cost for the twelve-month extension will not exceed \$300,000. These costs are computed based on a \$500.00 fee-for-service prosthesis placement procedure and a rate-per-procedure which includes services and supplies.

Annual contract funding totaling \$300,000 is included in the Fiscal Year 2007-08 Proposed Budget and will be requested in future fiscal years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

Since 1999, Harbor has pioneered the development of new treatment and a medical device for repair of abdominal aortic aneurysm repairs using the endovascular prosthesis. The PTP software and service is essential to viewing the proper placement of the prosthesis preoperatively by computerized tomography (CT). Once the insertion of the prosthesis is complete, the surgeon can survey the prosthesis and assess its placement by using patient-specific 3-D model images created by M2S PTP software and provided to the facility on Compact Disk (CD). Postoperatively, the position of the prosthesis and image via the CT can easily ascertain if a leakage has occurred and identify any clots or calcifications, allowing the physician to see the defect in the patient's vessel. These CDs enable clinicians to track the patient's progress over time through a series of images and measurements. The actual CT films or files are not required to be stored because the data is stored on CDs for easy archival and retrieval.

On July 1, 2001, CMS approved the use of CT surveillance of the endovascular device placement and the use of the service provided by Medical Media Systems, Inc. (later Medical Metrx Solutions, Inc.). CMS approved the use of PTP and software and services for Medicare and Medicaid reimbursement.

M2S provides PTP software and service associated with endovascular prosthesis used in the treatment of abdominal aortic aneurysms. This service improves the patient care provided during pre-op and post-op abdominal aneurysm repair and reduces the risk traditionally associated with major surgical interventions. Three 3-D images are rendered to allow precise sizing of the prosthesis prior to use and reveals any vascular anomalies. Hospitalization may be reduced from 10 to 12 days to 4 to 5 days postoperative.

On January 21, 2003, the Board approved a sole source Agreement with Medical Media Systems, Inc. (later Medical Metrx Solutions, Inc.), effective January 21, 2003 through June 30, 2007. The Department received notification from the contractor that the name of the organization was changing from Medical Media Systems, Inc. to Medical Metrx Solutions, Inc., effective date of June 8, 2004. Terms and conditions of the Agreement remained unchanged through June 30, 2007.

On August 1, 2006, Medical Metrx Solutions, Inc. formally changed its name to M2S, Inc.

This amendment will continue to provide the software and services for the creation of 3-D images associated with the insertion of the prosthesis for abdominal aortic aneurysms.

Contract monitoring functions are performed by Harbor administrative staff.

The Department has determined that this is not a Proposition A agreement because the services are to provide software and services.

Attachment A provides additional information. County Counsel has approved Exhibit I as to use and form.

CONTRACTING PROCESS:

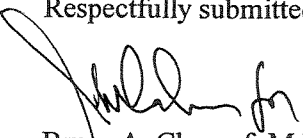
M2S is the only contractor approved nationwide by the FDA to provide this unique service and qualified by the CMS for reimbursement.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Approval of the amendment will ensure that the innovative and cost effective PTP services are provided to County patients.

When approved, the Department requires three signed copies of the Board's action.

Respectfully submitted,

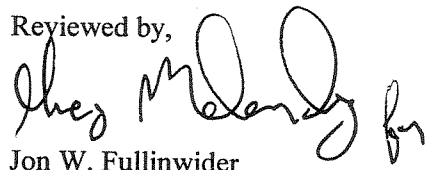


Bruce A. Chernof, M.D.
Director and Chief Medical Officer

BAC:kke
Medical Metrx.ke.wpd

Attachments (1)

Reviewed by,



Jon W. Fullinwider
Chief Information Officer

c: Chief Administrative Officer
Chief Information Officer
County Counsel
Executive Officer, Board of Supervisors

SUMMARY OF AGREEMENT
(PREVIEW TREATMENT PLANNING SOFTWARE AND SERVICES)

1. **TYPE OF SERVICE:**

M2S, Inc., (M2S), formerly known as Medical Metrx Solutions, Inc., will continue to provide preview treatment planning (PTP) software and services associated with endovascular prosthesis use in the treatment of abdominal aortic aneurysm at Harbor-UCLA Medical Center.

M2S is the only contractor approved nationwide by the Food and Drug Administration (FDA) to provide these unique services and qualified by the Centers for Medicare and Medicaid Services for reimbursement.

2. **AGENCY ADDRESS AND CONTACT PERSON:**

M2S, Inc.
12 Commerce Avenue
West Lebanon, New Hampshire 03784
Attention: M. Wes Chapman
Telephone: (603) 298-5509 Ext. 305

3. **TERM OF AGREEMENT:**

Effective July 1, 2007 through June 30, 2012, a 5-year agreement with M2S, Inc. with an option to extend the agreement for an additional 12 months through June 30, 2013, contingent upon available funding and subject to review and approval by County Counsel and the Chief Administrative Office and notification of Board offices.

4. **FINANCIAL INFORMATION:**

The total cost for the Amendment to the Agreement, effective July 1, 2007 through June 30, 2012, shall not exceed \$300,000 annually, with a total cost of \$1,500,000, with an additional extension of the contract term with no changes in the rates, for an additional twelve months through June 30, 2013, contingent upon available funding. The total cost for the twelve-month extension will not exceed \$300,000. These costs are computed based on a \$500.00 fee-for-service prosthesis placement procedure and a rate-per-procedure which includes services and supplies.

Annual contract funding totaling \$300,000 is included in the Fiscal Year 2007-08 Proposed Budget and will be requested in future fiscal years.

5. **GEOGRAPHIC AREA TO BE SERVED:**

2nd District

6. **ACCOUNTABLE FOR MONITORING:**

Miguel De Los Reyes

7. **APPROVALS:**

Chief Executive Officer: Miguel Ortiz-Marroquin, Acting CEO

Contracts and Grants: Cara O'Neill, Chief

County Counsel (approval as to use): Edward Morrissey, Deputy

CIO ANALYSIS

DEPARTMENT OF HEALTH SERVICES SOLE SOURCE AMENDMENT WITH MEDICAL METRIX SOLUTIONS, INC., FOR PROVISION OF PREVIEW TREATMENT PLANNING SOFTWARE AND SERVICES

CIO RECOMMENDATION: ☒ APPROVE ☐ APPROVE WITH MODIFICATION
☐ DISAPPROVE

Contract Type:

☐ New Contract ☒ Contract Amendment ☒ Contract Extension
☒ Sole Source Contract ☐ Hardware Acquisition ☐ Other

New/Revised Contract Term: Base Term: 5 Yrs # of Option Yrs 1

Contract Components:

☒ Software ☐ Hardware ☐ Telecommunications
☒ Professional Services

Project Executive Sponsor: Bruce A. Chernof, M.D.

Budget Information :

Y-T-D Contract Expenditures	\$1,285,900 (Est. thru 6/30/07)
Requested Contract Amount	\$1,800,000
Aggregate Contract Amount	\$3,085,900

Project Background:

Yes	No	Question
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project legislatively mandated?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project subvented? If yes, what percentage is offset? The total estimated net County cost for the term of the agreement is 100% reimbursable by Medicare, Medicaid and third-party insurance
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project/application applicable to (shared use or interfaced) other departments? If yes, name the other department(s) involved?

Strategic Alignment:

Yes	No	Question
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project in alignment with the County of Los Angeles Strategic Plan?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project consistent with the currently approved Department Business Automation Plan?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project's technology solution comply with County of Los Angeles IT Directions Document?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project technology solution comply with preferred County of Los Angeles IT Standards?

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>This contract and/or project and its milestone deliverables must be entered into the Information Technology Tracking System (ITTS).</p> <p>This is a continuation of an existing agreement for provision of services on an as-needed basis and is therefore not conducive to being tracked under ITTS.</p>
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Project/Contract Description:

Amendment No. 1 to Agreement No. H-300004 with Medical Metrix Solutions, Inc., (Metrix) (previously known in the original agreement as Medical Media Systems, Inc.) provides for the continued provision of preview treatment planning (PTP) software and services associated with endovascular prosthesis use in the treatment of abdominal aortic aneurysm at Harbor-UCLA (Harbor) Medical Center, effective July 1, 2007 through June 30, 2012, with an option to extend the agreement for an additional 12 months through June 30, 2013.

In approving the recommended action, the Board is authorizing the Director of Health Services, or his designee, to sign an amendment with Metrix for the continued provision of PTP software associated with endovascular prosthesis use in the treatment of abdominal aortic aneurysm at Harbor.

Background:

Since 1999, Harbor-UCLA Medical Center has pioneered the development of new treatment and medical device for repair of abdominal aortic aneurysm repairs using the endovascular prosthesis. The PTP software and service is essential to viewing the proper placement of the prosthesis preoperative via computerized tomography (CT).

On January 21, 2003, the Board approved a sole source Agreement with Metrix effective January 21, 2003 through June 30, 2007. This amendment will continue to provide the software and service for the creation of 3-D images associated with the insertion of the prosthesis for abdominal aortic aneurysms. Terms and conditions of the Agreement remained unchanged through June 30, 2007.

Project Justification/Benefits:

The software will be used to guide the prosthesis and improve the level of patient care provided during preoperative (pre-op) and postoperative (post-op) abdominal aneurysm repair, reducing the risks traditionally associated with major surgical interventions.

Metrix is the only contractor approved nationwide by the Food and Drug Administration (FDA) to provide these unique services and qualified by the Federal Health Care Financing Administration (HCFA) for reimbursement.

Approval of the amendment will ensure the continued innovative and cost effective PTP services are provided to County patients.

Project Metrics

The PTP software has been successfully implemented and is in maintenance mode. Success is being measured by the successful maintenance and operation of the software.

Impact on Service Delivery or Department Operations if Proposal Is Not Approved

If this amendment is not approved, the use of the vendor's PTP software and services associated with endovascular prosthesis use in the treatment of abdominal aortic aneurysm at Harbor-UCLA Medical Center would cease, greatly increasing the risk traditionally associated with major surgical interventions.

Alternatives Considered:

Metrix is the only contractor approved nationwide by the FDA to provide this unique service and qualified by the HCFA for reimbursement, so no other alternatives could be considered.

Project Risks:

None

Risk Mitigation Measures:

None required.

Financial Analysis:

The total cost for the Amendment to the Agreement, effective July 1, 2007 through June 30, 2012, shall not exceed \$1,500,000, with an additional extension of the contract term with no changes in the rates, for an additional twelve months through June 30, 2013, contingent upon available funding. The total cost for the twelve month extension will not exceed \$300,000. These costs are computed based on a \$500.00 fee-for-service prosthesis placement procedure and a rate-per-procedure which includes services and supplies.

The total estimated net County cost for the term of the agreement is 100% reimbursable by Medicare, Medicaid and third party insurance.

Funding for this amendment is included in the Fiscal Year 2006-07 Final Budget and will be requested in future fiscal years.

CIO Concerns:

None

CIO Recommendations:

Approve

CIO APPROVAL

Date Received: March 27, 2007

Prepared by: Earl Bradley

Date: May 2, 2007

Approved: [Signature]

Date: 5/3/2007

**HARBOR-UCLA MEDICAL CENTER
PREVIEW TREATMENT PLANNING SOFTWARE AND SERVICES AGREEMENT**

AMENDMENT NO. 1

THIS AMENDMENT is made and entered into this _____ day
of _____, 2007,

by and between

COUNTY OF LOS ANGELES (hereafter
"County"),

and

M2S, Inc. (Formerly known as MEDICAL
METRIX SOLUTIONS, INC.
(hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled "PREVIEW
TREATMENT PLANNING SOFTWARE AND SERVICES AGREEMENT", dated
January 21, 2003, and further identified as County Agreement No. H-300004 and any
amendments thereto (all hereafter "Agreement"); and

WHEREAS, it is the intent of the parties to amend Agreement to change the
name of Medical Metrix Solutions, Inc. to M2S, Inc.; and as such, wherever referred to
in the Agreement as Metrix Solutions, Inc. shall now become M2S unless otherwise
stated; and

WHEREAS, said Agreement provides that changes may be made in the form of a
written amendment which is formally approved and executed by the parties.

WHEREAS, the Harbor-UCLA Medical Center (hereafter "Medical Center") shall retain professional and administrative responsibility for the services provided under this Agreement.

NOW, THEREFORE, the parties hereby agree as follows:

1. This Amendment shall become effective July 1, 2007 through June 30, 2012.

2. TERM: The term of this Agreement shall commence on July 1, 2007 and shall continue in full force and effect to, and including, June 30, 2012. Said Agreement shall have an option to extend the Agreement for an additional twelve (12) month period, effective July 1, 2012 through June 30, 2013, subject to the availability of federal, State, County or third party insurance funding, as mutually agreed upon by County and the Contractor, which is subject to review and approval by County Counsel and the Chief Administrative Office, Chief Information Office and notification of the Board of Supervisors offices. If such funding is not forthcoming, this Agreement shall terminate on June 30, 2012. In any event, County may terminate this Agreement in accordance with the TERMINATION paragraphs of the Agreement hereunder.

3. Paragraphs 12, (CONFIDENTIALITY), 13 (CONTRACTOR'S OBLIGATION AS A BUSINESS ASSOCIATE UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996), 24 (ASSIGNMENT BY CONTRACTOR), 49 (CONTRACTOR RESPONSIBILITY AND DEBARMENT), 52 (CONSIDERATION OF HIRING GAIN/GROW PROGRAM PARTICIPANTS), 53 (NOTICES) and 55 (COMPLIANCE WITH JURY SERVICE PROGRAM) of the Agreement shall be amended to read as follows:

"12. CONFIDENTIALITY: Contractor shall maintain the confidentiality of all records, data and information, including, but not limited to, billings, County records and data, and other information, in accordance with all applicable Federal, State and local laws, regulations, ordinances, guidelines and directives relating to confidentiality. Contractor shall inform all of its officers, employees and agents providing services hereunder of the confidentiality provisions of this Agreement. Contractor shall provide to County an executed Contractor Employee Acknowledgment and Confidentiality Agreement (Attachment I) for each of its employees performing work under this Agreement in accordance with the Independent Contractor Status Paragraph.

Contractor shall indemnify, defend and hold harmless County, its officers, employees and agents, from and against any and all loss, damage, liability and expense, including, but not limited to, defense costs and legal, accounting and other expert, consulting or professional fees, arising from any disclosure of such records and information by Contractor, its officers, employees or agents, except for any disclosure authorized by this Paragraph.

With respect to any identifiable records or information concerning any patient that is obtained by Contractor or any other records and information, Contractor shall: (1) not use any such records or information for any purpose whatsoever other than carrying out the express terms of this Agreement; (2) promptly transmit to County all requests for disclosure of any such records or information; (3) not disclose, except as otherwise specifically permitted by this Agreement, any such records or information to any person or organization other

than County without County's prior written authorization that the records are, or information is, releasable; and (4) at the expiration or termination of this Agreement, return all such records and information to County or maintain such records and information according to the written procedures sent to Contractor by County for this purpose."

"13. CONTRACTOR'S OBLIGATION AS A BUSINESS ASSOCIATE UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996: The performance of Contractor's obligations under the Agreement could require Contractor's receipt of, or access to, Protected Health Information, as such term is defined in Attachment I (Contractor's Obligation as a Business Associate Under the Health Insurance Portability and Accountability Act of 1996). Contractor and County hereby agree to be bound by the terms and conditions of the Business Associate Protected Health Information Disclosure Agreement (Attachment I) (hereafter "Business Associate Agreement") by and between Contractor (referred to in Attachment I as "Business Associate") and County (referred to in Attachment I as "Covered Entity") for the term of this Agreement and as provided in the Business Associate Agreement."

"24. ASSIGNMENT BY CONTRACTOR:

24.1. Contractor shall not have any right to, and shall not, assign its rights or delegate its duties under this Agreement, or both, whether in whole or in part, without the prior written consent of County, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this Paragraph, County

consent shall require a written amendment to this Agreement which is formally approved and executed by the parties. Any payments by County to any delegatee or assignee on any claim under this Agreement, in consequence of any such consent, shall reduce dollar for dollar any claims which Contractor may have against County and shall be subject to set-off, recoupment or other reduction for any claims which County may have against Contractor, whether under this Agreement or otherwise.

24.2. Shareholders, partners, members, or other equity holders of Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Agreement, such disposition is an assignment requiring the prior written consent of County in accordance with applicable provisions of this Agreement.

24.3. Any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity, other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be material breach of the Agreement which may result in the termination of the Agreement. In

the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.”

“49. CONTRACTOR RESPONSIBILITY AND DEBARMENT:

49.1. A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is County’s policy to conduct business only with responsible contractors.

49.2. Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if County acquires information concerning the performance of Contractor on this or other contracts, which indicates that Contractor is not responsible, County may, in addition to other remedies provided in the contract, debar Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five (5) years or be permanent if warranted by the circumstances, and terminate any or all existing contracts Contractor may have with County.

49.3. County may debar Contractor if County’s Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated a term of a contract with County or a nonprofit corporation created by County, (2) committed an act or omission which negatively reflects on Contractor’s quality, fitness or capacity to perform a contract with County, any other public entity, or a nonprofit corporation

created by County, or engaged in a pattern or practice which negatively reflects on same,(3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against County or any other public entity.

49.4. If there is evidence that Contractor may be subject to debarment, the Department will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

49.5. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. Contractor and/or Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether contractor should be debarred, and if so, the appropriate length of time of the debarment. Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

49.6. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right at

its sole discretion to modify, deny, or adopt the proposed decision and recommendation of the Hearing Board.

49.7. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. Contractor and/or Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether contractor should be debarred, and if so, the appropriate length of time of the debarment. Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

49.8. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right at its sole discretion to modify, deny, or adopt the proposed decision and recommendation of the Hearing Board.

These terms shall also apply to Subcontractors of County Contractors."

"52. CONSIDERATION OF HIRING GAIN/GROW PROGRAM PARTICIPANTS:

Should Contractor require additional or replacement personnel after the Effective Date, Contractor shall give consideration for any such employment openings to participants in County's Department of Public Social Services Greater Avenues for Independence (GAIN) Program or General Relief

Opportunity for Work (GROW) Program who meet Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that Contractor will interview qualified candidates. County will refer GAIN/GROW participants by job category to Contractor.

In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority."

"53. NOTICES: All notices or demands required or permitted to be given or made under this Agreement, unless otherwise specified, shall be in writing and shall be addressed to the parties at the following addresses and delivered: (1) by hand with signed receipt, (2) by first-class registered or certified United States mail, postage prepaid, or (3) by overnight courier. Notices shall be deemed given at the time of signed receipt in the case of hand delivery, three (3) Days after deposit in the United States mail as set forth above, or on the date of delivery by the overnight courier. Addresses may be changed by either party giving ten (10) Days prior written notice thereof to the other party.

Director shall have the authority to issue all notices or demands which are required or permitted by County under this Agreement.

To County: (1) Contracts and Grants Division
 Department of Health Services
 313 N. Figueroa Street, Six Floor-East
 Los Angeles, California 90012
 Attention: Cara O'Neill, Chief

 (2) Harbor-UCLA Medical Center
 1000 W. Carson Street
 Torrance, California 90509

Attention: Miguel Ortiz Marroquin,
Acting Chief Executive Officer

To Contractor: (1) MS2, Inc.
12 Commerce Avenue
West Lebanon, New Hampshire 03784
Attention: M. Wes Chapman, President and CEO"

"55. COMPLIANCE WITH JURY SERVICE PROGRAM:

55.1 This Agreement is subject to the provisions of County's ordinance entitled ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code (see Contractor Employee Jury Service).

55.2 Unless Contractor has demonstrated to County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that its Employees shall receive from Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with Contractor or that Contractor deduct from the employee's regular pay the fees received for jury service.

55.3. For purposes of this Paragraph, "Contractor" means a person, partnership, corporation or other entity which has a contract with County or a subcontract with a County contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more

County contracts or subcontracts. "Employee" means any California resident who is a full-time employee of Contractor. "Full-time" means 40 hours or more worked per week, or a lesser number of hours if: (1) the lesser number is a recognized industry standard as determined by County, or (2) Contractor has a long-standing practice that defines the lesser number of hours as full-time.

Full-time employees providing short-term, temporary services of 90 Days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for County under this Agreement, the subcontractor shall also be subject to the provisions of this Paragraph. The provisions of this Paragraph shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.

55.4 If Contractor is not required to comply with the Jury Service Program when this Agreement commences, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and Contractor shall immediately notify County if Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if Contractor no longer qualifies for an exception to the Jury Service Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. County may also require, at any time during this Agreement and at its sole discretion, that Contractor demonstrate to County's satisfaction that Contractor either continues to remain outside of the Jury Service

Program's definition of "Contractor" and/or that Contractor continues to qualify for an exception to the Jury Service Program.

55.5 Contractor's violation of this Paragraph may constitute a material breach of the Agreement. In the event of such material breach, County may, in its sole discretion, terminate the Agreement and/or bar Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach."

4. During the extended term, Contractor shall be compensated according to the same payment provisions and same rate(s) specified in the Agreement.

5. Paragraphs 59 (NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/TERMINATION OF AGREEMENT), 60 (CONTRACTOR TO NOTIFY COUNTY WHEN IT HAS REACHED 75% OF MAXIMUM CONTRACT (UNDER CONTRACT SUM PROVISION) and 61 (BUDGET REDUCTIONS) of the Agreement shall be added to read as follows:

"59. NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/TERMINATION OF AGREEMENT: Contractor shall have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by Contractor after the expiration or other termination of this Agreement. Should Contractor receive any such payment it shall immediately notify County and shall immediately repay all such funds to County. Payment by County for services rendered after expiration/termination of the Agreement shall not constitute a waiver of County's right to recover such

payment from Contractor. This provision shall survive the expiration or other termination of this Agreement.

60. CONTRACTOR TO NOTIFY COUNTY WHEN IT HAS REACHED 75% OF MAXIMUM CONTRACT SUM (UNDER CONTRACT SUM PROVISION): Contractor shall maintain a system of record keeping that will allow Contractor to determine when it has incurred seventy-five percent (75%) of the Contract Sum. Upon occurrence of this event, Contractor shall send written notification to (a) County's Project Director, and (b) County's Project Manager.

61. BUDGET REDUCTIONS: In the event that County's Board of Supervisors adopts, in any fiscal year, a County budget which provides for reductions in the salaries and benefits paid to the majority of County employees and imposes similar reductions with respect to County contracts, County reserves the right to reduce its payment obligation correspondingly for that fiscal year and any subsequent fiscal year for services provided by Contractor under this Agreement. County's notice to the Contractor regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board of Supervisors approval of such actions. Contractor shall continue to perform all of its obligations set forth in this Agreement."

6. Except for the changes set forth hereinabove, Agreement shall not be changed in any respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its Director of

/

Health Services and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officers, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Bruce A. Chernof, M.D.
Director and Chief Medical Officer

M2S, Inc. (Formerly known as Medical
Metrix Solutions, Inc.)

By _____
Contractor

Printed Name

Title _____
(AFFIX CORPORATE SEAL)

APPROVED AS TO FORM:
BY THE OFFICE OF THE COUNTY COUNSEL

County Counsel

By _____
Edward Morrissey, Deputy

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Health Services

By _____
Cara O'Neill, Division Chief
Contracts and Grants

Kke\Metrix/Monday, April 30, 2007

ATTACHMENT I

**CONTRACTOR'S OBLIGATION AS A BUSINESS ASSOCIATE
UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
OF 1996**

Under this Agreement, Contractor ("Business Associate") provides services ("Services") to County ("Covered Entity") and Business Associate receives, has access to or creates Protected Health Information in order to provide those Services. Covered Entity is subject to the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), and regulations promulgated thereunder, including the Standards for Privacy of Individually Identifiable Health Information ("Privacy Regulations") and the Health Insurance Reform: Security Standards ("the Security Regulations") at 45 Code of Federal Regulations Parts 160 and 164 ("together, the "Privacy and Security Regulations").

The Privacy and Security Regulations require Covered Entity to enter into a contract with Business Associate in order to mandate certain protections for the privacy and security of Protected Health Information, and those Regulations prohibit the disclosure to or use of Protected Health Information by Business Associate if such a contract is not in place;

Therefore, the parties agree as follows:

DEFINITIONS

- 1.1 "Disclose" and "Disclosure" mean, with respect to Protected Health Information, the release, transfer, provision of access to, or divulging in any other manner of Protected Health Information outside Business Associate's internal operations or to other than its employees.
- 1.2 "Electronic Media" has the same meaning as the term "electronic media" in 45 C.F.R. § 160.103. Electronic Media means (1) Electronic storage media including memory devices in computers (hard drives) and any removable/transportable digital memory medium, such as magnetic tape or disk, optical disk, or digital memory card; or (2) Transmission media used to exchange information already in electronic storage media. Transmission media include, for example, the internet (wide-open), extranet (using internet technology to link a business with information accessible only to collaborating parties), leased lines, dial-up lines, private networks, and the physical movement of removable/transportable electronic storage media. Certain transmissions, including of paper, via facsimile, and of voice, via telephone, are not considered to be transmissions via electronic media, because the information being exchanged did not exist in electronic form before the transmission.

The term "Electronic Media" draws no distinction between internal and external data, at rest (that is, in storage) as well as during transmission.

- 1.3 "Electronic Protected Health Information" has the same meaning as the term "electronic protected health information" in 45 C.F.R. § 160.103. Electronic Protected Health

Information means Protected Health Information that is (i) transmitted by electronic media; (ii) maintained in electronic media.

- 1.4 “Individual” means the person who is the subject of Protected Health Information and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).
- 1.5 “Protected Health Information” has the same meaning as the term “protected health information” in 45 C.F.R. § 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity. Protected Health Information includes information that (i) relates to the past, present or future physical or mental health or condition of an Individual; the provision of health care to an Individual, or the past, present or future payment for the provision of health care to an Individual; (ii) identifies the Individual (or for which there is a reasonable basis for believing that the information can be used to identify the Individual); and (iii) is received by Business Associate from or on behalf of Covered Entity, or is created by Business Associate, or is made accessible to Business Associate by Covered Entity. “Protected Health Information” includes Electronic Health Information.
- 1.6 “Required By Law” means a mandate contained in law that compels an entity to make a Use or Disclosure of Protected Health Information and that is enforceable in a court of law. Required by law includes, but is not limited to, court orders and court-ordered warrants; subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or any administrative body authorized to require the production of information; a civil or an authorized investigative demand; Medicare conditions of participation with respect to health care providers participating in the program; and statutes or regulations that require the production of information, including statutes or regulations that require such information if payment is sought under a government program providing benefits.
- 1.7 “Security Incident” means the attempted or successful unauthorized access, Use, Disclosure, modification, or destruction of information in, or interference with system operations of, an Information System which contains Electronic Protected Health Information. However, Security Incident does not include attempts to access an Information System when those attempts are not reasonably considered by Business Associate to constitute an actual threat to the Information System.
- 1.8 “Services” has the same meaning as in the body of this Agreement.
- 1.9 “Use” or “Uses” mean, with respect to Protected Health Information, the sharing, employment, application, utilization, examination or analysis of such Information within Business Associate’s internal operations.
- 1.10 Terms used, but not otherwise defined in this Paragraph shall have the same meaning as those terms in the HIPAA Regulations.

OBLIGATIONS OF BUSINESS ASSOCIATE

2.1 Permitted Uses and Disclosures of Protected Health Information. Business Associate:

- (a) shall Use and Disclose Protected Health Information as necessary to perform the Services, and as provided in Sections 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3 and 5.2 of this Agreement;
- (b) shall Disclose Protected Health Information to Covered Entity upon request;
- (c) may, as necessary for the proper management and administration of its business or to carry out its legal responsibilities:
 - (i) Use Protected Health Information; and
 - (ii) Disclose Protected Health Information if the Disclosure is Required by Law.

Business Associate shall not Use or Disclose Protected Health Information for any other purpose.

2.2 Adequate Safeguards for Protected Health Information. Business Associate:

- (a) Shall implement and maintain appropriate safeguards to prevent the Use or Disclosure of Protected Health Information in any manner other than as permitted by this Paragraph. Business Associate agrees to limit the Use and Disclosure of Protected Health Information to the minimum necessary in accordance with the Privacy Regulation's minimum necessary standard.
- (b) effective as of April 20, 2005, specifically as to Electronic Health Information, shall implement and maintain administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic Protected Health Information.

2.3 Reporting Non-Permitted Use or Disclosure and Security Incidents. Business Associate shall

report to Covered Entity each Use or Disclosure that is made by Business Associate, its employees, representatives, agents or subcontractors but is not specifically permitted by this Agreement, as well as, effective as of April 20, 2005, each Security Incident of which Business Associate becomes aware. The initial report shall be made by telephone call to the Departmental Privacy Officer, telephone number 1(800) 711-5366 within forty-eight (48) hours from the time the Business Associate becomes aware of the non-permitted Use or Disclosure or Security Incident, followed by a full written report no later than ten (10) business days from the date the Business Associate becomes aware of the non-permitted Use or Disclosure or Security Incident to the Chief Privacy Officer at:

Chief Privacy Officer
Kenneth Hahn Hall of Administration
500 West Temple ST.
Suite 525
Los Angeles, CA 90012

- 2.4 Mitigation of Harmful Effect. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a Use or Disclosure of Protected Health Information by Business Associate in violation of the requirements of this Paragraph.
- 2.5 Availability of Internal Practices, Books and Records to Government Agencies. Business Associate agrees to make its internal practices, books and records relating to the Use and Disclosure of Protected Health Information available to the Secretary of the federal Department of Health and Human Services for purposes of determining Covered Entity's compliance with the Privacy and Security Regulations. Business Associate shall immediately notify Covered Entity of any requests made by the Secretary and provide Covered Entity with copies of any documents produced in response to such request.
- 2.6 Access to Protected Health Information. Business Associate shall, to the extent Covered Entity determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make the Protected Health Information specified by Covered Entity available to the Individual(s) identified by Covered Entity as being entitled to access and copy that Protected Health Information. Business Associate shall provide such access for inspection of that Protected Health Information within two (2) business days after receipt of request from Covered Entity. Business Associate shall provide copies of that Protected Health Information within five (5) business days after receipt of request from Covered Entity.
- 2.7 Amendment of Protected Health Information. Business Associate shall, to the extent Covered Entity determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make any amendments to Protected Health Information that are requested by Covered Entity. Business Associate shall make such amendment within ten (10) business days after receipt of request from Covered Entity in order for Covered Entity to meet the requirements under 45 C.F.R. § 164.526.
- 2.8 Accounting of Disclosures. Upon Covered Entity's request, Business Associate shall provide to Covered Entity an accounting of each Disclosure of Protected Health Information made by Business Associate or its employees, agents, representatives or subcontractors.

[Optional, to be used when all Uses and Disclosures permitted in order to perform the Services will be for the Covered Entity's payment or health care operations activities: However, Business Associate is not required to provide an accounting of Disclosures that are necessary to perform the Services because such Disclosures are for either payment or health care operations purposes, or both.]

Any accounting provided by Business Associate under this Section 2.8 shall include: (a) the date of the Disclosure; (b) the name, and address if known, of the entity or person who received the Protected Health Information; (c) a brief description of the Protected Health Information disclosed; and (d) a brief statement of the purpose of the Disclosure. For each Disclosure that could require an accounting under this Section 2.8, Business Associate shall document the information specified in (a) through (d), above, and shall securely maintain the information for six (6) years from the date of the Disclosure. Business Associate shall provide to Covered Entity, within ten (10) business days after receipt of request from Covered Entity, information collected in accordance with this Section 2.8 to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528.

OBLIGATION OF COVERED ENTITY

3.1 Obligation of Covered Entity. Covered Entity shall notify Business Associate of any current or future restrictions or limitations on the use of Protected Health Information that would affect Business Associate's performance of the Services, and Business Associate shall thereafter restrict or limit its own uses and disclosures accordingly.

TERM AND TERMINATION

4.1 Term. The term of this Paragraph shall be the same as the term of this Agreement. Business Associate's obligations under Sections 2.1 (as modified by Section 4.2), 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3 and 5.2 shall survive the termination or expiration of this Agreement.

4.2 Termination for Cause. In addition to and notwithstanding the termination provisions set forth in this Agreement, upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:

- (a) Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Agreement if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity;

- (b) Immediately terminate this Agreement if Business Associate has breached a material term of this Agreement and cure is not possible; or

- (c) If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary of the federal Department of Health and Human Services.

4.3 Disposition of Protected Health Information Upon Termination or Expiration.

- (a) Except as provided in paragraph (b) of this section, upon termination for any reason or expiration of this Agreement, Business Associate shall return or destroy all Protected Health Information received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to Protected Health

Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information.

(b) In the event that Business Associate determines that returning or destroying the Protected Health Information is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make infeasible. If return or destruction is infeasible, Business Associate shall extend the protections of this Agreement to such Protected Health Information and limit further Uses and Disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

MISCELLANEOUS

- 5.1 No Third Party Beneficiaries. Nothing in this Paragraph shall confer upon any person other than the parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.
- 5.2 Use of Subcontractors and Agents. Business Associate shall require each of its agents and subcontractors that receive Protected Health Information from Business Associate, or create Protected Health Information for Business Associate, on behalf of Covered Entity, to execute a written agreement obligating the agent or subcontractor to comply with all the terms of this Paragraph.
- 5.3 Relationship to Services Agreement Provisions. In the event that a provision of this Paragraph is contrary to a another provision of this Agreement, the provision of this Paragraph shall control. Otherwise, this Paragraph shall be construed under, and in accordance with, the terms of this Agreement.
- 5.4 Regulatory References. A reference in this Paragraph to a section in the Privacy or Security Regulations means the section as in effect or as amended.
- 5.5 Interpretation. Any ambiguity in this Paragraph shall be resolved in favor of a meaning that permits Covered Entity to comply with the Privacy and Security Regulations.
- 5.6 Amendment. The parties agree to take such action as is necessary to amend this Paragraph from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy and Security Regulations.